

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L CAIRO 002967

SIPDIS

STATE FOR NEA/ELA, NEA/RA, AND EB/IFD  
TREASURY FOR MILLS/NUGENT/PETERS  
USAID FOR ANE/MEA MCCLOUD  
COMMERCE FOR 4520/ITA/MAC/ANESA/TALAAT

E.O. 12958: DECL: 04/18/2015

TAGS: [ECON](#) [EAID](#) [EFIN](#) [EG](#)

SUBJECT: EGYPTIAN AMERICAN BANK TO BE SOLD

Classified by Charge Gordon Gray for reasons 1.4 (b) and (d).

1. (C) Roderick Richards (protect), Managing Director of the Egyptian American Bank (EAB), told the Charge on April 18 that the Board of EAB intended to put the bank up for sale. Richards said the EAB Board would meet on April 19 to approve the intended sale, and that public announcement would follow on APRIL 20. Richards noted that the Board would bring in an investment firm to broker the deal, which he believed would be concluded by the end of the year or the first quarter of 2006. Richards predicted that EAB would be purchased either by a large Gulf bank seeking to recycle petrodollars or a multinational wanting to establish or expand its presence in Egypt.

2. (SBU) EAB is a joint venture bank partially owned by American Express and the Bank of Alexandria (BOA). Richards had recently indicated that American Express and BOA were under pressure from the GOE to sell EAB quickly, as part of the GOE's effort to divest its shares in joint venture banks, one of the benchmarks in the GOE-USG MOU on financial sector reform. BOA is also the public bank identified by the GOE for privatization by 12/31/2005, another of the benchmarks agreed upon in the MOU. The sale of EAB will increase BOA's assets, improving its market value as it prepares to privatize.

3. (SBU) Comment: News of the impending sale of EAB indicates that the GOE is taking seriously its commitment to meeting the benchmarks in the MOU, or at a minimum, to maintain the current reform momentum in the banking sector. End comment.

Visit Embassy Cairo's Classified Website:  
<http://www.state.sgov.gov/p/nea/cairo>

You can also access this site through the  
State Department's Classified SIPRNET website.

GRAY